



**SUNSHINE  
LODGE**



**HILLVIEW  
LODGE**

**DRUMHELLER DISTRICT SENIORS FOUNDATION**

**WHERE FRIENDS BECOME FAMILY!**

**BUSINESS PLAN**

2019-2021

June 2018

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## EXECUTIVE SUMMARY

For almost 60 years, the Drumheller and District Seniors Foundation (“DDSF” or the “Foundation”) has been providing affordable housing and supportive living to senior citizens and the elderly disabled and it remains committed to this mandate today. We have grown from the original 32-unit traditional Lodge to a seniors’ housing provider with over 190 units with service ranging from independent living to Designated Supportive Living Level 3 (“SL3” or “DSL”). While the majority of the Foundation’s portfolio is in Drumheller; we also provide accommodations in the surrounding rural communities of Delia and Morrin.

The last 10 years have shown dramatic changes in the local housing market for seniors and in the very recent years the DDSF is starting to see another shift in the seniors’ housing needs. We have observed changes in the expectations of our current seniors for more services, larger suite sizes, more facility amenities and higher levels of care. These changes are being realized in our traditional Lodge as we continue to see our vacancies rise with vacancy rates as high as 27%.

The Foundation is also responsible for the management of 2 ASHC owned seniors self-contained apartment buildings and 16 cottage type units. These buildings are in higher demand for low to moderate income seniors wanting independent living and thus have waitlists. Some of these buildings are close to 30 years old and therefore, DDSF’s goal is to ensure that through proper capital maintenance and planning and working collaboratively with the ASHC, that the properties continue to be a desirable option for our independent seniors.

Based on the housing needs assessment completed in 2017, we are seeing the demographics, healthcare needs and overall expectations of our seniors change and increase. In addition, with aging facilities, the Foundation is being forced to re-evaluate how we operate and what we need to do to embrace these changes and transform our operations to remain sustainable.

The Foundation will continue to work with its municipal members, community groups, residents and employees to ensure the strategic plan aligns with all key stakeholders. Lastly, the Foundation will concentrate on its strategic planning to ensure that it addresses the known and anticipated changes of its seniors’ ensuring the Foundation can continue to deliver superior supportive living accommodations to its seniors for the next 60 years.

## ACCOUNTABILITY STATEMENT

The Foundation is accountable to all its stakeholders. We are governed by the Ministerial Order under *The Alberta Housing Act and Regulations*. Pursuant to this, the DDSF is also led by the Board of Directors – one member from each of the contributing municipalities which include the Town of Drumheller, Starland County, Village of Morrin, Village of Munson and Village of Delia (see Appendix A). The Board governs in accordance with all current Acts and Regulations, the Policy guidelines as outlined in the Management Body Handbook and the bylaws of the Foundation. The Board of Directors has one employee, the Chief Administrative Officer (“CAO”), who oversees the day to day operations of the DDSF.

The Board meets once a month or as agreed upon by a majority of the board, with no less than six (6) regular meetings per year. Board meeting minutes are dispensed to each member and made available to the public.

All announcements of the Drumheller and District Seniors Foundation will be communicated through the Chairman of the Board, who, as set out in the bylaws of the Foundation, will act as spokesman for the Foundation. The types of announcements will include changes in the operation of the organization, new initiatives resulting from the business plan and financial information.

Announcements will be made in the form of meetings with the Municipal councils, news releases, annual meetings with residents and families and public meetings as required.

The business plan was prepared under the Board’s direction in accordance with legislation and associated ministerial guidelines, and in consideration of all policy decisions and material, economic, or fiscal implications of which the Board is aware. Approved by the Board on July 19, 2018.

## VISION

To lead our community in age friendly, home-like accommodation.

## MISSION

We ensure Drumheller and area seniors have a high quality of life by providing affordable and supportive accommodations.

## CORE VALUES

We Value **Dignity and Respect**

- We believe in the inherent value and worth of all individuals and that they should be treated without discrimination or prejudice.

We Value **Choice**

- We believe that providing personal preferences to each Resident is essential in delivering an enriched, fulfilled and comfortable lifestyle.

We Value **Collaboration**

- We believe that we are interdependent with each other and our environment and that as a team we can achieve greater impact in the context of the common good of our community.

We Value **Integrity**

- We believe in an open, honest approach and accountability that strengthens relationships between our Residents, Employees, Stakeholders and the DDSF.

We Value **Compassion**

- We believe that all individuals have the right to be treated with kindness and empathy.

We Value **Well-Being**

- We believe in the intrinsic value, dignity, safety and uniqueness of each individual and that well-being encompasses all aspects of physical, mental, spiritual and social life.

## PORTFOLIO PROFILE

### ***Administration and Management***

The Administrator of the Foundation is the Chief Administrative Officer, reporting directly to the Board. The Administrator is responsible for conducting the business of the Foundation, including administration, support services, human resources, finance/compliance, and maintenance for all the properties under management.

The DDSF has an annual operating budget in excess of \$4 million with approximately 60 employees and 191 suites under management. The CAO oversees the management team comprised of 5 full time managers including a Finance and Compliance Co-Ordinator, Resident Manager, Services Manager, Project Operations Manager, Activities Manager and a Part Time Supportive Living Manager. Each facility shares maintenance staff who report into the Project Operations Manager. Hillview Lodge employs dedicated Health Care Aides providing personal care to Hillview residents under the direct supervision of the Supportive Living Manager. Each lodge facility shares activity and housekeeping/kitchen staff who report into the Activities Manager and Services Manager respectively. The Management Body operates out of the Hillview Lodge with offices located at 696 – 6<sup>th</sup> Avenue East in Drumheller, Alberta.

See Appendix A for the organizational chart.

### ***Housing Portfolio\*\****

The DDSF strives to provide a spectrum of housing options that promote a high quality of life and home-like atmosphere to help seniors transition from their home into supportive living. The DDSF provides 4 levels of housing for senior citizens aged 65 or older which include Independent Living, Supportive Living 1 (“SL1”), Supportive Living 2 (“SL2”) and Designated Supportive Living 3 (“SL3”).

*Independent Living & Supportive Living 1* - Provide independent one-bedroom suites and apartments for seniors who are functionally independent. Some of the buildings provide common areas inviting socialization amongst residents.

The DDSF owns 12 cottage units and is also a management agent to the ASHC for 2 provincially owned self-contained apartment buildings and 16 cottage units for a total of 65 independent suites. The self-contained properties are managed as a different operating entity as the Lodge portfolio. Monthly rental rates are calculated as 30% of a person’s gross income (ie. rent geared to income “RGI”) plus a fixed charge for additional services (such as utilities and/or cable).

*\*\*See Appendix B for a full listing of the Foundation’s housing portfolio.*

## PORTFOLIO PROFILE (cont'd)

### Housing Portfolio (cont'd)\*\*

*Supportive Living 2* – our traditional lodge site provides housing and services such as meals and housekeeping to independent seniors, alongside, linen and towel service, personal laundry, social/recreational activities, maintenance, parking and 24-hour non-medical staffing. In addition, we work with local organizations to come into the facility to provide other services such as transportation, hairdressers, foot care, personal care, nursing care and assistance with mediation.

- **Sunshine Lodge:**

- 78 suites Lodge located in the Town of Drumheller
  - 35 are wheelchair accessible
  - 7 couple suites
  - Rooms sizes vary between 215 sq. ft to 475 sq. ft
- Monthly rental rates are determined annually by the Board of Directors following guidelines set out by the provincial government. Subsidies are currently being provided to management bodies for low to moderate income seniors whose income is below a set threshold

*Designated Supportive Living 3* – providing all the same services as our traditional lodge site, this facility also accommodates residents who require 24-hour personal care services or unscheduled personal care needs in addition to meals and housekeeping services.

- **Hillview Lodge:**

- 36 single suites in located in the Town of Drumheller
  - Average room size is ~385 sq. ft
  - All suites are wheelchair accessible
- DDSF employs Health Care Aides to aid the residents with daily activities such as bathing, dressing, toileting, medication assistance (MAP) and mobility
- Alberta Health Services (“AHS”) Home Care develops individual care plans and monitors the needs identified in those plans. Vacancies are filled collaboratively with AHS.
- Construction was made possible by accessing funds through the RASL [Rural Affordable Supportive Living] Program.
- Operation of this facility has been made possible by accessing funding for the provision of personal care through an agreement with AHS.
- Monthly rental rates are determined annually by the Board following guidelines set out by the provincial government. Subsidies are currently being provided to management bodies for low to moderate income seniors whose income is below a set threshold.

\*\*See Appendix B for a full listing of the Foundation’s housing portfolio.

## INSTITUTIONAL CONTEXT

The Foundation is one of the few dedicated senior's accommodation providers in the Drumheller area. Our mandate is to provide affordable seniors housing to the low to moderate income seniors in the community. However, we are striving to provide more than just housing to our seniors. As our vision states we want to lead our community in age-friendly, home-like accommodation which takes more than just infrastructure.

First and foremost, we have the support of our 5 municipalities through the dedication of their appointed members on our board. They are crucial in setting policies, making recommendations to management and being our public voice to their council and their municipal members.

We also work collaboratively with the Alberta Seniors and Housing department. We have a dedicated Portfolio Advisor who provides guidance and support for ministry, legislative and other governance items that arise. We work with our Technical Advisor who provides guidance and support for all our infrastructure, capital and technical aspects of operating our properties.

The spectrum of services that we can provide from independent living to SL3 has also been made possible through partnerships with AHS. We work collaboratively with AHS, more specifically Home Care, whereby residents are assessed by AHS Home Care nurses and referred to our DSL 3 site. In addition, AHS provide onsite Home Care services to our Sunshine Lodge which has allowed many of our Sunshine Lodge residents to age in place. With open lines of communication between AHS and Lodge staff this partnership has been key in meeting the health care needs of many of our residents.

The Friends of the Sunshine Lodge have been a long standing and dedicated partner that are champions in the enhancement of senior living. They work diligently at their fund-raising campaigns to provide enhanced senior care and activities to our organization and in the community. They work collaboratively with our Activities department to identify those opportunities that deliver more services to our seniors. They have been an instrumental partner to many of the projects undertaken by the Foundation.

Drumheller is a rural town with very little public transportation services, especially for the more specific needs of our seniors. The Valley Bus Society is another long-standing community organization that has been a vital partner in providing transportation services to our residents.

CMHC (Canada Mortgage and Housing Corporation) is a more recent partnership that has been created but was crucial in supporting the Foundation with our Housing Needs Assessment which was funded by their "SEED" program. See Appendix F for a full copy of the study. We also utilize the CMHC rental survey results to ensure our rental rates compare to what the current local/provincial rates are set at.

Lastly, the Foundation also holds a membership in several provincial wide advocacy and support groups such as the Alberta Seniors Communities Housing Association ("ASCHA"), Alberta Public Housing Administrators' Association ("APHAA"), Alberta Association of Municipal Districts and Counties ("AAMDC") and the Lodge Activity Coordinators Association of Alberta ("LACAA").

## PLAN DEVELOPMENT

The Board of Directors and Management work together to set the direction of the Foundation and understand that our strategic plan will impact many stakeholders in the community. Considering this, the development of the business plan included input from a variety of sources both inside the Foundation as well as external.

The DDSF completed a Seniors' Housing Needs Assessment in March of 2017 (see Appendix F) which provided insights into the supportive housing demands of our local seniors as well as a review of the demographics and income levels of those seniors. In addition, a strategic planning session was organized in early 2017, facilitated by Alberta Community Development Unit which helped the Board and Management redefine their strategic direction, the mission, the vision and create a set of core values.

Input from all levels of management in all departments was obtained throughout the creation of the business plan to ensure that the business plan addressed all the major functions of the Foundation. The management team meets monthly to address operational issues and discuss observed trends they are seeing in their departments which are then conveyed to the Board by the CAO. Monthly update reports are also provided to the Board by each manager to give a snapshot of their associated department that month. These meetings and reports have been vital in identifying the strategic areas that need to be focused on.

Annual resident survey and employee survey results have also been reviewed to identify and prioritize strategic objectives. In addition, property inspection results have been a valuable source to determine the capital improvement and preventative maintenance needs of the Foundation.

Quarterly meetings are held with AHS Homecare and Lodge management to address changes in the healthcare needs of our residents which also provides valuable information on the strategic direction of the Foundation.

Management will be setting up a formal forum for the 5 municipal bodies and key community stakeholders to come together and discuss the needs and expectations of each municipality as they relate to their senior population and their housing needs. The information obtained from this forum will be used for future strategic planning and/or adjustment of our current business plan if required.

This plan was drafted by management, reviewed by the Board and presented to the Board for final approval.

## ENVIRONMENTAL SCAN

### *POPULATION AND DEMOGRAPHICS*

The Foundation is currently serving a catchment area totaling approximately ~11,000 residents. This includes an estimated 1,700 seniors aged 65+ (of which ~815 are 75+). Observed growth rates in Drumheller and District catchment over the past 20 years suggest moderate population growth which are keeping up with national averages. However, more recently (last 10 years), that growth appears to have stagnated and even declined slightly.

Furthermore, observed population mobility rates for the region would be considered relatively high when compared to the provincial averages. Reasons for higher mobility include lack of jobs due to the size of the community, added with the decline of the oil and gas industry or very seasonable employment opportunities due to the summer tourism boom. This then translates into the loss of the younger generations to the big cities. Therefore, the overall population living in Drumheller and the surrounding region appears to be aging overtime. When the region's demographic profiles are compared to that of the province, they reveal a higher percentage of seniors aged 65+ living in Drumheller (~16.1%) compared to the national average of 11.1%.

If the population growth over the next 15-20 years proceeds at the similar pace to the Provincial population projects, it could see an increase to its population up to ~14,000 residents by 2036 with growth in its senior population to be upwards to 3,000 (incl. ~1,500 are 75+) by 2036 – all requiring safe, stable housing that is affordable according to their means. These dynamics suggest that the need for seniors housing in Drumheller and the surrounding region will likely increase rather than decrease over time and to varying degrees depending on the community.

### *HOUSEHOLD INCOMES*

A review of the income levels within the Drumheller and District revealed that on average, seniors 65+ living in the Drumheller area appear to be earning higher incomes than their regional counterparts. However, even though the region is home to some very affluent seniors, there is a still a sizeable number of low-income seniors living in the area who not only require ongoing financial assistance, they would also likely benefit from the provision of more affordable housing. Lastly, the number of seniors earning incomes at or below the after tax low income measure suggests the likelihood that there are number of seniors in the region who are currently living in deep poverty and may be at a risk of homelessness.

The DDSF's primary client is the low to moderate income senior based on the Core Needs Income Threshold ("CNIT") for self-contained units. For Lodge facilities, the Foundation receives funding from the GoA under the Lodge Assistance Program ("LAP") for all Lodge residents who have incomes under the LAP threshold which is \$28,650. For those residents that are above the LAP threshold, they are required to pay for the LAP funding in addition to the basic rent. For self-contained units, residents pay rent geared to income which is never above 30% of their income per their Notice of Assessments. However, we can house those residents whose income is in excess of the Core Needs Income Threshold ("CNIT") which was \$35,000 for the Town of Drumheller in 2017 depending on the availability and demand of suites in each building. Based on a current review of our residents' incomes we noted the following income spreads, which clearly indicates that we are fulfilling our mandate – See Table 1 – "Income Breakdown by Program" for details.

## HOUSEHOLD INCOMES cont'd

Table 1 – Income Breakdown by Program

### Lodge Program

Low income – LAP* and rent reduced	9	8.49%
<u>Regular Rent – LAP* subsidy</u>	61	57.55%
High Income – no LAP*	36	33.96%

\*Lodge Assistance Program – income is less than \$28,650 annually per Notice of Assessment

### Seniors Self Contained Program

Under \$20,000	3	4.55%
<u>\$20,000 - \$24,999</u>	46	69.70%
\$25,000 - \$29,999	11	16.66%
\$30,000 - \$34,999	2	3.03%
Over \$35,000	4	6.06%

The Foundation realizes that the spread of income levels within the community is quite large and that there could be an opportunity to create some near market accommodations to complement our current housing portfolio. This opportunity still needs more research as there have been several new 55+ housing projects built in the last decade. However, these are all privately owned, independent living options and not geared to low to moderate income seniors.

## HOUSING SUPPLY AND DEMAND

There are currently an estimated 279 specialized seniors' housing spaces in the Drumheller and District catchment area (the majority located in the Town of Drumheller) which include 77 Seniors' Independent Living units, 114 Supportive Living Units and 88 Long Term Care beds. (See Table 3 - Housing Supply Analysis and Projections for more details.) The remaining seniors in the region continue to live independently either in the same homes they have lived in for years, homes that they either own or rent or they live with extended family.

The Foundation's Sunshine Lodge currently serves ~ 70 seniors through our traditional lodge program, with an average of 12-15 seniors on the Lodge waitlist. Waitlist averages for the Sunshine Lodge have steadily declined over the last 5 years, due primarily to the change in needs and demands of the seniors. The Lodge has 78 rooms (which includes 7 couple rooms), however, 32 of those rooms have become less desirable to many of today's senior's due to the size of the room, lack of a full bathroom and not meeting accessibility requirements for the current seniors. The square footage of these rooms is just over 200 square feet each which is well below the required size of 350 square feet. As noted in the Table 3, vacancy rates have increased dramatically in the Sunshine Lodge which is primarily in the older wings. The waitlist noted above includes both external and internal residents who desire the newer and larger rooms in the Lodge. Another problem in this Lodge is the kitchen which is small, outdated and doesn't operate efficiently as it was originally built in 60's to serve 32 residents. With the expansion of Sunshine Lodge over the last 40 years, the kitchen was never expanded or upgraded which makes it inefficient and difficult to serve the increased number of residents.

## HOUSING SUPPLY AND DEMAND cont'd

Our SL3 facility - Hillview Lodge – currently serves 36 residents, waitlists are maintained by AHS, so it is difficult to know the true size of the waitlist and the makeup of the residents on that list. One trend we are only starting to observe is the increase in vacancies in this facility – See Table 3 for details. This is believed to be a direct result of the desire for many seniors to stay in their homes longer and have services brought to them. With more funding for home care services, this trend will continue and may cause less of a need for this level of care. Many seniors will bypass this facility entirely and enter facilities that offer higher levels of care directly from their home to reduce the number of moves as their healthcare needs change.

Seniors self-contained apartments and cottages serves approximately 88 seniors with waitlist averages being ~30 residents. As Table 3 illustrates, overall the occupancy levels have been quite strong, and vacancies are minimal. The more rural units located in Morrin and Delia, more specifically Delia have started to become more vacant. We believe this to be due to the lack of amenities needed by seniors in those communities.

Table 2 - Average Vacancy Rate % by Year

Building (Ownership)	# of Units	2014	2015	2016	2017	2018 YTD
Sunshine Lodge (DDSF)	78	6.41%	10.36%	16.77%	20.83%	17.41%
Hillview Lodge (DDSF)	36	2.78%	1.39%	5.32%	4.86%	3.70%
Cottages (DDSF)	12	0.69%	0.69%	2.08%	0.69%	0.00%
Maple Ridge Manor I (ASHC)	29	1.72%	1.72%	1.72%	2.01%	2.30%
Maple Ridge Manor II (ASHC)	20	0.83%	1.67%	1.25%	0.00%	0.00%
Riverview Villas (ASHC)	6	0.00%	0.00%	0.00%	0.00%	0.00%
Highland Dell (ASHC)	6	0.00%	0.00%	22.22%	11.1%	18.06%
Blooming Prairie (ASHC)	4	2.08%	0.00%	0.00%	0.00%	0.00%

Based on the needs assessment (See Appendix F for the full results) and as summarized in Table 3, reviewing the current needs analysis for 2016 shows a need of up to 215 spaces within the catchment area which include 75 independent living units, up to 40 supportive living level 1/2 suites, 20-25 supportive living level 3 spaces, 60-65 supportive living level 4 spaces and 10-15 long term care beds. This suggests that the Drumheller region may currently have sufficient seniors' housing and care space capacity to meet the current needs – although the distribution and/or location of those spaces may pose a challenge for seniors living in the more rural and remote areas of the region.

However, when you project the future growth in the senior's population, the need for a seniors housing and care space capacity is expected to increase by 30% in the next 10-20 years. Table 3 clearly indicates how the current supply does not currently meet the projected demand and that the Drumheller region may need to focus on the introduction of Supportive Living Level 4 (including Level 4D – Dementia spaces) to reduce some of the pressure currently being placed on the regions costlier Long-Term Care spaces located in Drumheller. This need has further been emphasized by the recent no capital RFP that was sent out by AHS in April 2018 where it showed Drumheller as a Priority Community needing a minimum of 26 SL4 beds. Currently, the Foundation is unable to offer additional space without the assistance of capital funds whether that be through a grant, partnership or loan to build additional space or renovate existing space. The Foundation has met with AB Health and AB Government capital initiatives to discuss opportunities for the Foundation to expand its portfolio to be able to offer SL4.

*HOUSING SUPPLY AND DEMAND cont'd*

*Table 3 - Housing Supply Analysis and Projections*

	<b>Current Supply</b>	<b>2016 need</b>	<b>2026 needs</b>	<b>2036 needs</b>
Independent Living	77 units	Up to 75 units	~100-105 units	Up to 125 units
SL1 and SL2	78 units	Up to 40 units	60-65 units	Up to 55 units
SL3	36 spaces	20-25 spaces	Up to 30 spaces	Up to 40-45 spaces
SL4/4D	None	60-65 spaces	Up to 80 spaces	Up to 115 spaces
LTC (AHS owned)	88 beds	10-15 beds	Up to 15 beds	Up to 20 beds
<b>Total</b>	<b>279 spaces</b>	<b>Up to 215 spaces</b>	<b>Up to 290 spaces</b>	<b>Up to 360</b>

At some point in the next 10-15 years a transition period will emerge as the larger Baby Boomer population continues to age into its advanced senior years (75+) while the smaller Gen X population begins to enter its early senior years (65+). Even though the seniors' population will continue to increase, the result of this transition will be a shift within that senior population that leads to declining demands for SL1 and SL2 along with increasing demands for the higher levels of care provided through SL3 and SL4/4D.

Finally, one trend we are observing is the increase demand for housing supports for adult, non-seniors with mental and/or physical disabilities. There is often a lot of pressure put on the Foundation to accommodate these individual cases into our Lodge program due to vacancies in our Sunshine Lodge. As we are a small community and try to provide assistance as much as our operations can support, we find ourselves struggling to accommodate these cases due to a lack of appropriately trained staff and services/activities which are not geared toward non-senior residents.

In conclusion, the glaring issues through the scan of our environment is that our current Sunshine Lodge needs renovation or replacement of the older wings, kitchen and laundry facilities to accommodate the growth and the increasing needs of our seniors requiring this level of supportive living. These changes will make our Lodge more desirable to more seniors, decrease our waitlist and meet the projected demands for this level of care. Lastly, without an SL4 facility in the Drumheller area, many of our seniors are required to leave the community they have lived in for many years, so they can continue to get the support they need until a local long-term bed is available. The impact to our seniors and their families when being separated is significant and to many, detrimental to their mental and physical health. One of the main goals of the Foundation will be to advocate to AB Health and the ASHC to find the capital needed to resolve these issues.

## REVIEW OF ORGANIZATIONAL STRENGTHS AND WEAKNESSES

### *Strengths:*

- The Foundation has been providing supportive living accommodations to its seniors for over 50 years and has built a service model that provides excellent client/resident support and services.
- The Foundation is the only senior's housing provider in the district that provides housing to seniors of modest means.
- The management team alongside the Board are dedicated in fulfilling the Foundations mandate, vision and mission and living by our core values.
- The Foundation has built and continues to enhance its activities program which is well connected and well known in the community.
- The Foundation maintains and continues to develop its strong partnerships with the local community-based organizations.
- The community and municipalities are very supportive of the Foundation and its initiatives
- Lastly, with its partnership with Alberta Health Services, the Foundation offers a wide range of supportive accommodations allowing our seniors to age in the community.

### *Weaknesses:*

- The Lodge program has been around since the 60's which translates to older facilities that continue to age thus increasing capital maintenance costs and reducing operational effectiveness.
- As our facilities continue to age, they stop being desirable to the increasing needs/demands of our seniors causing our vacancy rates to increase which puts pressure on our budget. With revenues decreasing and operational costs increasing, the need to obtain other revenue streams becomes a necessity. The municipal requisition has increased significantly in the last 5 years putting pressure on our supporting municipal members.
- Our current portfolio does not offer Supportive Level 4 and 4D
- High debt due to previous capital projects putting financial pressures on the Foundation limiting our ability to continue to build/renovate/expand its current housing portfolio.
- With ASHC owned buildings, the Foundation lacks the funding control of those budgets which limits management's ability to meet all the demands of the seniors in those properties.
- Being in a rural location limits the Foundation's ability to obtain revenue or occupancy from other streams in the more vacant buildings. Lastly, in a rural setting, operational expenses can be high due to a lack of a local service requiring higher travel/shipping expenses.

## *DISCUSSION OF ORGANIZATIONAL CHALLENGES AND OPPORTUNITIES*

Through the review of the demand study completed in 2017 (see Appendix F), it is noted that there will be an increase in the number of seniors in the community in the next 5-20 years – with an expected seniors population of ~3,000 by 2036 (almost double from its current population). With the growing need for seniors housing in Drumheller, the challenge that arises is determining the type/(s) of housing and level of support services needed to accommodate this growing population.

It's evident that seniors are living in their homes longer who then require higher levels of care when they are ready to enter supportive living. Drumheller's current supply of higher levels of care is lacking as compared to the need, more specifically SL4 and SL4D. In April 2018, AHS identified Drumheller as a priority community in the Province whereby 26 SL4 beds are needed immediately. The Foundation has available vacant undeveloped land beside it's Hillview Lodge which could be used to build an addition to Hillview Lodge to accommodate SL4/4D facility. Due to current debt obligations from previous capital projects, the Foundation is unable to fund a capital project to build a facility providing this level of care. Without financial support from the government, the Foundation will be unable to provide this level of support to our community clearly identified as a need.

Another opportunity arising is the trend of accommodating those seniors who may not be on a fixed income or those seniors that have higher incomes available. In many rural communities, there are limited private facilities available that offer market supportive living options, Drumheller currently does not have any. The Foundation's vision is to lead our community in age friendly, home-like accommodation which should include all seniors, not just low to moderate income seniors. The Foundation will be faced with reviewing its mandate to enhance the quality of its existing facilities to accommodate all seniors in the community to ensure we are able to deliver our vision. Our existing Sunshine Lodge has vacant undesirable rooms in its oldest wings, a small, inefficient kitchen and inefficient operating systems that need to be replaced. With waitlists for the larger rooms, its evident that Lodge level living is still desirable if room sizes were adequate and the facility was updated to include upgrades to kitchen/dining services. The main challenge this opportunity faces is capital funding to build or renovate our existing facilities. With available vacant land, the Foundation has room to grow its operations to include an updated facility offering multiple levels of care to a diverse range of seniors across all income levels.

As with any organization, the Foundation is experiencing growing pains. With the expanded facilities comes the need for additional staffing requirements. With limited resources to draw from in rural Alberta, the concept of planning for succession, finding and retaining staff in all positions especially those positions providing personal care and recreational support is becoming increasingly more difficult in the labour pool in a small community.

Lastly, like all rural communities, local service providers are limited and with increased operating costs, many of these local service providers are decreasing. Drumheller has seen a decline in many local services requiring the Foundation to obtain services outside the community. Using service providers outside of Drumheller is costlier causing a direct impact to the budget. Further, with the overall increase in prices across all expenses due to the carbon levy, increase in employment costs and general rising CPI, in addition to rising interest rates impacting our debt obligations, the Foundation is constantly battling balancing its budget to ensure that it can still offer excellent services at a reasonable rent while keeping the tax impact from our increasing municipal requisition at a sustainable level.

# GOALS, STRATEGIC PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

**GOAL #1 – FACILITIES** - To maintain, manage and enhance the current and future infrastructure needs of the Foundation.

## Priority Initiatives:

- 1.1 Create a capital plan to build a facility encompassing the SL4 need in the community, replacing the SL1 & 2 facility and increasing independent living suites.
- 1.2 Build and refine capital improvement and capital maintenance programs to ensure all properties are being reviewed for safety and sustainability

## Expected Outcomes:

- 1.1 Increased demand for all Foundation owned & managed accommodations
- 1.2 Proposal for new facility is completed and approved
- 1.3 Supportive Living services increased to include SL4 and other accommodations service options enhanced across all levels of care
- 1.4 Annual inspections of the facilities and suites are completed without any significant deficiencies
- 1.5 Useful life of buildings maintained/extended across all properties

## Performance Measures:

- 1.1 Vacancy rates decrease across all properties:

Building	2017	2018 YTD	2019 Target	2020 Target	2021 Target
Sunshine Lodge	20.8%	17.4%	<15.0%	<15.0%	<10.0%
Hillview Lodge	4.9%	3.7%	<3.0%	<1.5%	<1.5%
Cottages	0.7%	0.0%	<1.0%	<1.0%	<1.0%
Maple Ridge Manor I	2.0%	2.3%	<1.0%	<1.0%	<1.0%
Maple Ridge Manor II	0.0%	0.0%	<1.0%	<1.0%	<1.0%
Riverview Villas	0.0%	0.0%	<1.0%	<1.0%	<1.0%
Highland Dell	11.1%	18.1%	<16.7%	<10.0%	<10.0%
Blooming Prairie	0.0%	0.0%	<25.0%	<10.0%	<10.0%

- 1.2 Resident survey results as they relate to facilities are positive:

Building	2017	2018*	2019 Target	2020 Target	2021 Target
Sunshine Lodge	89.4%	92.4%	>90.0%	>90.0%	>90.0%
Hillview Lodge	93.4%	94.5%	>90.0%	>90.0%	>90.0%
Cottages	98.2%	98.2%	>90.0%	>90.0%	>90.0%
Maple Ridge Manor I	97.7%	95.7%	>90.0%	>90.0%	>90.0%
Maple Ridge Manor II	97.1%	92.9%	>90.0%	>90.0%	>90.0%
Riverview Villas	100.0%	100.0%	>90.0%	>90.0%	>90.0%
Highland Dell	91.5%	88.8%	>90.0%	>90.0%	>90.0%
Blooming Prairie	91.5%	88.8%	>90.0%	>90.0%	>90.0%

\*Results are based on # of participants that are overall satisfied/extremely satisfied with facilities

- 1.3 FCI ratings are maintained at Good/Fair or Category 1 or 2 across all properties
  - Current FCI ratings are unavailable, facilities assessments will be underway in 2019/2020 to obtain information to ensure reasonable targets can be built for the future.

# GOALS, STRATEGIC PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

**GOAL #2 – RESIDENTS** - To ensure we continue to meet and exceed the expectations of our residents and their families.

## Priority Initiatives

- 2.1 Enhance accommodations across all levels to make all facilities more age friendly and allow for more choice
- 2.2 Maintain solid and transparent communication channels between residents, staff, management and families
- 2.3 Build partnerships with community members to increase diversity of services
- 2.4 Attain an accredited status for Hillview Lodge

## Expected Outcomes

- 2.1 Increased demand for Foundation owned and managed accommodations
- 2.2 Residents thrive across all properties
- 2.3 Levels of care at each facility meet the needs of each resident

## Performance Measures

- 2.1 Vacancy rates decrease across all properties (see table on previous page)
- 2.2 Length of stay by resident by property increases

Building	2017	2018*	2019 Target	2020 Target	2021 Target
Sunshine Lodge	2.7 years	2.6 years	>2 years	>3 years	>3 years
Hillview Lodge	1.4 years	1.6 years	>2 years	>2 years	>3 years
Cottages	4.5 years	4.6 years	>5 years	>5 years	>5 years
Maple Ridge Manor I	4.2 years	3.6 years	>5 years	>5 years	>5 years
Maple Ridge Manor II	5.8 years	6.6 years	>5 years	>5 years	>5 years
Riverview Villas	4.9 years	5.7 years	>5 years	>5 years	>5 years
Highland Dell	2.9 years	3.2 years	>5 years	>5 years	>5 years
Blooming Prairie	5.4 years	6.2 years	>5 years	>5 years	>5 years

\*Average Number of years resident has stayed in facilities since move in

- 2.3 Overall satisfaction ratings are high on internal resident surveys across all areas:

Building	2017	2018**	2019 Target	2020 Target	2021 Target
Sunshine Lodge	84.5%	88.3%	>90.0%	>90.0%	>90.0%
Hillview Lodge	92.8%	89.5%	>90.0%	>90.0%	>90.0%
Cottages	100.0%	100.0%	>90.0%	>90.0%	>90.0%
Maple Ridge Manor I	96.0%	78.3%	>90.0%	>90.0%	>90.0%
Maple Ridge Manor II	91.8%	95.3%	>90.0%	>90.0%	>90.0%
Riverview Villas	100.0%	100.0%	>90.0%	>90.0%	>90.0%
Highland Dell	100.0%	100.0%	>90.0%	>90.0%	>90.0%
Blooming Prairie	100.0%	100.0%	>90.0%	>90.0%	>90.0%

\*\* Results are based on # of participants that are overall satisfied/extremely satisfied

- 2.4 Maintain Upper ratings on Health Quality Council of Alberta surveys (Hillview only):

Building	2014***	2017***	2019 Target	2021 Target
Hillview Lodge	Resident - 8.6 Family - 9.2	Resident - 8.3 Family - 8.9	Resident - >9 Family - >9	Resident - >9 Family - >9

\*\*\*Last surveys were based on 2013 and 2016 results, survey done ~2-3 years, factor is based on global overall care rating out of 10. (Resident – rating from resident experience, Family – rating from family experience)

# GOALS, STRATEGIC PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

**GOAL #3 – EMPLOYEES** - To maintain, manage and enhance the current and future management and staffing needs of the Foundation.

## Priority Initiatives

- 3.1 Create a strong and supportive work environment to attract and retain employees
- 3.2 Develop solid training and orientation programs to ensure all employees understand our services, provide exceptional service to our residents and work safely
- 3.3 Develop performance measurement programs to acknowledge superior service
- 3.4 Maintain solid and transparent communication channels between residents, employees, management and families

## Expected Outcomes

- 3.1 Foundation becomes sought after as a great place to work
- 3.2 Employees are trained well therefore, providing superior service to all residents
- 3.3 Employees are motivated, satisfied and continuity is maintained across all departments
- 3.4 Employee injuries reduced

## Performance Measures

### 3.1 Employee turnover rates are decreased

Employee Turnover Rate*	2017	2018 YTD	2019 Target	2020 Target	2021 Target
All Departments	24.19%	13.33%	<15%	<15%	<10%

\* Calculation is total separations during period over average # of employees in the period

### 3.2 Employee satisfaction survey results and participation are high

	2016	2019 Target	2020 Target	2021 Target
Overall Satisfaction	90%	<90%	<90%	<90%
Participation	72%	<95%	<100%	<100%

### 3.3 Less WCB claims and maintain WCB PIR discounts

	2016	2017	2019 Target	2020 Target	2021 Target
Claim Costs	\$10,882	\$3,802	< \$3,500	< \$3,500	< \$2,500
Performance (as compared to industry average)	15% better	70% better	>75% better	>80% better	>80% better
Adjustment	3% Discount	14% Discount	>15%	>15%	>15%

# GOALS, STRATEGIC PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

**GOAL #4 – FINANCIAL** - To maintain, manage and enhance the current and future financial needs of the Foundation.

## Priority Initiatives

- 4.1 Develop sound financial risk management processes
- 4.2 Review all expenses ensuring efficiencies are maximized and keeping costs low
- 4.3 Increase reserves to cover short and long-term operational and capital needs
- 4.4 Search and apply for government funding grants that may be beneficial to the redevelopment of current unsuitable infrastructure

## Expected Outcomes

- 4.1 Stable and increasing financial growth
- 4.2 Foundation becomes more self-sufficient
- 4.3 Meet and exceed the annual budget
- 4.4 Capital reserve meets both short and long term needs across all properties

## Performance Measures

- 4.1 Meet or exceed budget expectations
- 4.2 Reserves increased and maintained for future use
- 4.3 Municipal requisition is reduced

Lodge Portfolio	2017	2019 Target	2020 Target	2021 Target
Operating Budget* vs. Actual**	\$1,005 vs \$41,209	\$1,975	\$5,065	\$5,580
Reserves	\$200,000	\$395,000	\$425,000	\$500,000
Municipal Requisition	\$985,000	\$985,000	\$985,000	\$950,000

\*Budget figure is after debt repayment obligations and before amortization of capital and deferred contributions

\*\*Actual figures are as per audited financial statements

Senior Self - Contained Portfolio	2017	2019 Target	2020 Target	2021 Target
Operating Budget* vs. Actual**	(\$7,666) vs (\$9,442)	(\$22,416)	(\$21,490)	(\$21,108)
Reserves	\$13,000	\$13,000	\$13,000	\$13,000
Municipal Requisition	N/A	N/A	N/A	N/A

\*Budget figure as set out by ASHC or as per forecast

\*\*Actual figures are as per audited financial statements

## FINANCIAL PLAN AND FORECASTS

The Drumheller and District Senior's Foundation sets its annual budget for the coming year each Fall and for Foundation owned properties, the budget is set and approved by the Board. For those properties managed by the Foundation but owned by ASHC, the Foundation is given their operating budget each year by the ASHC based on discussions and recommendations between the Foundation and ASHC.

In preparing the budgets and forecasts included in Appendix C, the following assumptions have been made:

- Facilities to operate at existing levels for # of suites and level of care currently provided
- Occupancy levels will remain consistent as compared to the last 1-2 years by each property
- Increases in rent varies between Schedule A and Non-Schedule A properties
  - Schedule A properties – maximum rent amounts increase over the next 3 years to reflect market rent increases in the area
  - Non-Schedule A properties – increases to rent range from 1.25% -1.50% based on rising costs across all expense groups
- ASHC funding and AHS funding to remain consistent
- Municipal requisition to remain consistent with a small decrease in 2021 assuming the reduction in long term debt obligations after Sunshine Loan is paid
- Staffing levels to remain consistent with increases in wages as per the negotiated Collective Agreement for in scope positions. CPP and EI increases also anticipated over the next 3 years.
- Utilities, more specifically heating and electricity, assumed to increase between 10-15% over the next 3 years, offset by decreases seen other small utilities such as cable/telephone and waste removal
- Maintenance expenses to remain relatively consistent with small increases due to increases in equipment replacement due to aging facilities
- All other operating expenses expected to increase consistent with the rising CPI

For more specific details on the consolidated and non-consolidated budget and forecast please see Appendix C.

## CAPITAL PLANNING STRATEGY

Currently, the Foundation is focusing on a formal review of each property owned by the Foundation, by a professional firm to assist with our capital planning process. This study will help identify significant capital maintenance items to budget for, determine the useful life of each building, provide an FCI for each property and determine when a major capital project needs to be planned for. A summary of each project and the known capital items are as follows:

### **Sunshine Lodge (78 bed Lodge – SL1 & 2)**

Our flagship Lodge which includes the original 1960's, 32 rooms (currently operating at ~60% occupancy), inefficient kitchen and aged heating/venting/plumbing systems is one of our pressing capital items that is currently being reviewed. With vacancy issues and operational inefficiencies, it is becoming increasingly more obvious that this Lodge has started to surpass its useful life from an operational standpoint and has started to become less desirable to our seniors as many of the rooms that are available are not large enough and do not provide the supports needed. Waitlists for the larger wings in this Lodge illustrate that there is still a need for this Lodge but with the appropriate sized rooms. Based on the needs assessment shown in Appendix F – the need for this level of care facility in Drumheller will decrease over the next 10-15 years. With a formal capital review to be completed on this Lodge, the Foundation is hoping to draft a plan to determine whether this Lodge should be renovated, replaced or repurposed.

### **Hillview Lodge (36 bed - SL3 Level)**

Hillview Lodge opened its doors in 2009 and is currently the only SL3 facility in the area. In contract with AHS, Hillview fills the gap between our traditional Lodge and Continuing Care currently at the Drumheller Hospital. Over the last few years, the Foundation has started to experience vacancies at Hillview and the length of stay by residents is starting to decline. With the goal from AB Health to age in place, many of seniors can remain at home with services brought to them so when they do need to move to a higher level of care, they bypass Hillview completely and move to Continuing Care. When Hillview was constructed, it was built with the ability to extend with another wing onto the vacant land available. Based on our needs assessment, AHS's most recent call for proposals showing a need for 26 SL4 beds, and currently no SL4 beds available in the area, the Foundation is focusing its review of its facilities on how to address this need alongside maximizing its current facilities and using its vacant land.

### **Independent Living (49 apartments and 28 Cottage Units)**

The Foundation manages 2 independent living apartment complexes that includes 49 apartment style rooms and 18 cottage units located in Drumheller, Morrin and Delia. At the current time, these buildings and cottages are being reviewed for operational efficiency of its maintenance systems, replacement of aged structural items such as windows, flooring and major maintenance equipment and upgrades to rooms to meet the changing needs of seniors.

## **APPENDICES**

**APPENDIX A - HMB CORPORATE PROFILE**

**APPENDIX B - PROPERTY PROFILE**

**APPENDIX C - FINANCIAL BUDGET AND FORECASTS**

**APPENDIX D - CAPITAL MAINTENANCE AND RENEWAL**

**APPENDIX E – SURPLUS PROPERTIES**

**APPENDIX F – NEEDS ASSESSMENT STUDY**

